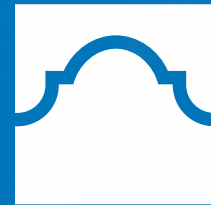


2021 Internal Audit

Annual Report

October 19, 2021



ALAMO
COLLEGES
DISTRICT



Malcolm Baldrige
National Quality Award
2018 Award Recipient

Achieving the Dream
LEADER
COLLEGE
OF DISTINCTION

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Note: The outline of the annual report as listed above is prescribed by the Texas State Auditors Office per the Texas Internal Auditing Act.



I. Compliance with House Bill 16

(Texas Government Code, Section 2102.015)

Requirements:

- Within 30 days of approval, an entity should post the following information on its Internet Web site:
 - An approved fiscal year 2022 audit plan, as provided by Texas Government Code, Section 2102.008.
 - A fiscal year 2021 internal audit annual report, as required by Texas Government Code, Section 2102.009.
- 2102.015.Required Updates
 - Detailed summary of weaknesses, deficiencies, wrongdoings, or other concerns, if any raised by the audit plan or annual report
 - Summary of action taken by the agency to address concerns, if any, that are raised by the audit plan or annual report

Compliance:

The information required above will be included in this annual report and, once approved by the Alamo Colleges Board of Trustees, will be posted to the Board of Trustees page on the Alamo Colleges Web site at Alamo.edu.



II. Internal Audit Plan For Fiscal Year 2021

(Status as of August 31, 2021)

	FY 2020 Audit Plan – Carryover Projects	Status	Phase
1	Alamo Colleges Foundation Audit	✓	-
2	Banner Security Audit	✓	-
FY 2021 Audit Plan Projects			
3	COVID-19 related activity or CARES Act Compliance Audit	In Progress	Planning
4	Facility Management – Preventive Maintenance Program Audit	FY 2022 Plan	New Process
5	Fiscal Services – Budgeting Audit	FY 2022 Plan	New Process
6	Time and Attendance Reporting Audit (Employees only)	Deferred	-
7	IT Interface Control Audit	Pending IT Auditor Hire	-
8	Colleges - Program Review – Nursing Program Audit (SPC and/or SAC)	FY 2022 Plan	-
9	IT - Systems/Database Support – System Audit	Pending IT Auditor Hire	-
10	Construction Contracts and Project Management – CIP Audit (Phase II)	✓	-



Internal Audit Plan for Fiscal Year 2021 (Continued)

(Status as of August 31, 2021)

	FY 2021 Audit Plan Projects	Status	Phase
9	Student Disability Support Services (DSS) Audit	✓	-
10	Title IX Compliance Process Review	In Progress	Fieldwork
11	Procurement Card (Pcard) Audit	Deferred	-
12	Continuous Monitoring Program <i>(using ACL Analytics Exchange)</i>	✓	-
13	<u>Internal</u> Quality Assessment Review <i>(Annual Self Assessment of Internal Audit)</i>	✓	-
FY 2021 Investigations			
14	State Auditor's Office (Case #20-3306) <i>(Case Received September 15, 2020)</i>	✓	-
15	Ethics Point (Case #685) <i>(Case Received October 29, 2020)</i>	✓	-

II. FY 2021 Summary of Results

Project	Description	Results/Findings	Remediation
Alamo Colleges Foundation Audit	<p>Reviewed donor records, measurement reports, and appeal donation process.</p> <p>Determine if corrective actions previously identified in a previous audit were completed.</p>	<ul style="list-style-type: none"> • Recommendations related to development of a privacy policy, updating MOU and better utilization of analytical features. • Other areas noted for improvement included updating existing procedures, forms, and websites. • Prior recommendations were implemented. 	<p>Management agreed with the need for a privacy policy and supporting procedures. The MOU will be reviewed and existing procedures will be updated including forms, timelines, assignment of responsibilities, and secondary review requirements.</p>
Student Disability Support Services Audit	<p>Reviewed policy, timeliness of information, accommodation requests, and assess controls of equipment and software.</p>	<ul style="list-style-type: none"> • Recommendations related student grievance approval, student accommodation processing, updates to DSS information, processing tools and asset management. 	<p>Management agreed with the recommendations and will retrain to ensure accommodation requests are processed timely, obtain approval of student grievance process, and strengthen the functionality of the DSS Offices.</p>



II. FY 2021 Summary of Results (continued)

Project	Description	Results/Findings	Remediation
Banner User Access Audit	Reviewed management of access rights to the Banner System.	<ul style="list-style-type: none"> • Recommendations related to timeliness of disabling and modifying Banner access for terminations and transfers. • Other areas noted for improvement included updating procedures and notifications / monitoring processes. 	<p>Management will implement an automated workflow process to disable and modify Banner user access.</p> <p>Management will updated its procedures and establish a process to monitor timelines of separations and transfers.</p>
Construction Contracts and Power Management – CIP (Phase II) Audit	Reviewed CIP project’s budgets, schedules, GMP approvals, construction documentation, and changes orders.	<ul style="list-style-type: none"> • Improvements were noted regarding tracking of funding outside of Board-approved items, document management processes, and use of terminology and modifications within GMP contracts. 	<p>Management will use continue working with AECOM, MOCA, and ACD Facilities to standardize construction project management processes.</p> <p>Management will improve and utilize the project management software for CIP projects and future non-CIP construction projects.</p>



II. FY 2021 Summary of Corrective Action

Project	Report Date	Issue Count as of 9/1/2020	New Issues	Closed through 8/31/2021	Open Issues as of 9/1/2021	% Closed
FY 2020 and Prior Year Projects	Various	21		10	11	48%
Alamo Colleges Foundation Audit	11/13/2020		6	2	4	33%
Student Disability Support Services Audit	4/30/2021		4	2	3	50%
Banner User Access Audit	6/2/2021		8	2	6	25%
Construction Contracts and Power Management – CIP (Phase II) Audit	8/23/2021		3	0	3	0%
Total		21	21	16	26	38%

Note: Verbal recommendations communicated with management during audits are not included in the issue count above.



III. Consulting and Nonaudit Services Completed

- The District Internal Audit Department did not perform any consulting services as defined by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.
- Other value-added activities performed during Fiscal Year 2021
 - Three investigative or nonaudit engagements were performed in FY 2021
 - State Auditors Investigation and provided assistance on other investigations
 - EthicsPoint Hotline Case Investigation and assistance
 - Completed the Continuous Monitoring Program using ACL Analytics Exchange
 - Management Special Requests for Services:
 - Serve as advisor to the Bursar and other departments for various issues





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Quality Assurance and Improvement Program (QAIP)



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IV. Quality Assurance and Improvement Program

The District Internal Audit Department maintains a quality assurance and improvement program. To ensure adherence to auditing standards the following is performed:

- Review for continued compliance with International Standards for the Professional Practice of Internal Auditing
- Remain up-to-date on auditing standards through continuing professional education, membership in accounting and auditing associations, technical reading, and independent research.
- Complete an audit standards compliance review at the end of each audit.
- Complete independence disclosure statements annually.
- Comply with annual continuing professional education requirements
- Complete an annual self-assessment of the department each year.



2021 Internal Quality Assessment Review Results

(Annual Self-Assessment of Internal Audit)

		GC	PC	DNC	NA
OVERALL		X			
ATTRIBUTE STANDARDS		X			
1000	Purpose, Authority, and Responsibility	X			
1010	Recognition of the Definition of Internal Auditing, the Code of Ethics and the <i>Standards</i> in the Internal Audit Charter	X			
1100	Independence and Objectivity	X			
1110	Organizational Independence	X			
1111	Direct Interaction with the Board	X			
1120	Individual Objectivity	X			
1130	Impairments to Independence or Objectivity	X			
1200	Proficiency and Due Professional Care	X			
1210	Proficiency	X			
1220	Due Professional Care	X			
1230	Continuing Professional Development	X			
1300	Quality Assurance and Improvement Program	X			
1310	Requirements of the Quality Assurance and Improvement Program	X			
1311	Internal Assessments	X			
1312	External Assessments	X			
1320	Reporting on the Quality Assurance and Improvement Program	X			
1321	Use of "Conforms with the <i>International Standards for the Professional Practice of Internal Auditing</i> "	X			
1322	Disclosure of Nonconformance	X			
PERFORMANCE STANDARDS		X			
2000	Managing the Internal Audit Activity	X			
2010	Planning	X			
2020	Communication and Approval	X			
2030	Resource Management	X			
2040	Policies and Procedures	X			
2050	Coordination	X			

		GC	PC	DNC	NA
2060	Reporting to Senior Management and the Board	X			
2070	External Service Provider and Organizational Responsibility for Internal Auditing	X			
2100	Nature of Work	X			
2110	Governance	X			
2120	Risk Management	X			
2130	Control	X			
2200	Engagement Planning	X			
2201	Planning Considerations	X			
2210	Engagement Objectives	X			
2220	Engagement Scope	X			
2230	Engagement Resource Allocation	X			
2240	Engagement Work Programs	X			
2300	Performing the Engagement	X			
2310	Identifying Information	X			
2320	Analysis and Evaluation	X			
2330	Documenting Information	X			
2340	Engagement Supervision	X			
2400	Communicating Results	X			
2410	Criteria for Communicating	X			
2420	Quality of Communications	X			
2421	Errors and Omissions	X			
2430	Use of "Conducted in Conformance with the <i>International Standards for the Professional Practice of Internal Auditing</i> "	X			
2431	Engagement Disclosure of Nonconformance	X			
2440	Disseminating Results	X			
2450	Overall Opinions	X			
2500	Monitoring Progress	X			
2600	Communicating the Acceptance of Risks	X			
IIA CODE OF ETHICS		X			
DEFINITION OF INTERNAL AUDITING		X			

External Assessment Review of the Internal Audit Department

Our most recent external quality assurance review was performed on May 2018.

- Examined the audit activities for a three-year period.
- Indicated that the District Internal Audit Department generally conforms with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and Code of Ethics, and the U.S. Government Accountability Office's Generally Accepted Government Auditing Standards.
- Our next external quality assurance review will examine a five-year period and will be conducted during the spring of 2023



Alamo Colleges – Internal Audit

I concur with Internal Audit’s self-assessment that they are operating generally in conformance with the *Standards*, the IIA Code of Ethics, and *GAGAS*.

This level of conformance demonstrates a clear intent and commitment to achieving the Core Principles for the Professional Practice of Internal Auditing and the Definition of Internal Auditing

Governance		Staff		Management		Process		GAGAS	
Standard	Rating	Standard	Rating	Standard	Rating	Standard	Rating	Standards	Rating
1000	GC	1200	GC	2000	GC	2200	GC	General	GC
1100	GC			2100	GC	2300	GC	Performance	GC
1300	GC			2450	GC	2400	GC		
Code of Ethics	GC			2600	GC	2500	GC		

Thank you for the opportunity to be of service to Internal Audit. I will be pleased to respond to further questions concerning this report and furnish any desired information.



Basil Woller, CIA, CRMA
Independent Assessor

FY 2022 Priorities

- Complete the Internal Audit Plan
- Continue to enhance knowledge in the use of TeamMate+ auditing software and add other data analysis techniques.
- Enhance overall auditing skills in information technology risks and controls.
- Complete the Internal Audit procedure manual update to reflect electronic working papers revised protocol.
- Integrate the Internal Control Integrated Framework published by the Committee of Sponsoring Organizations (COSO) into the risk assessment process.

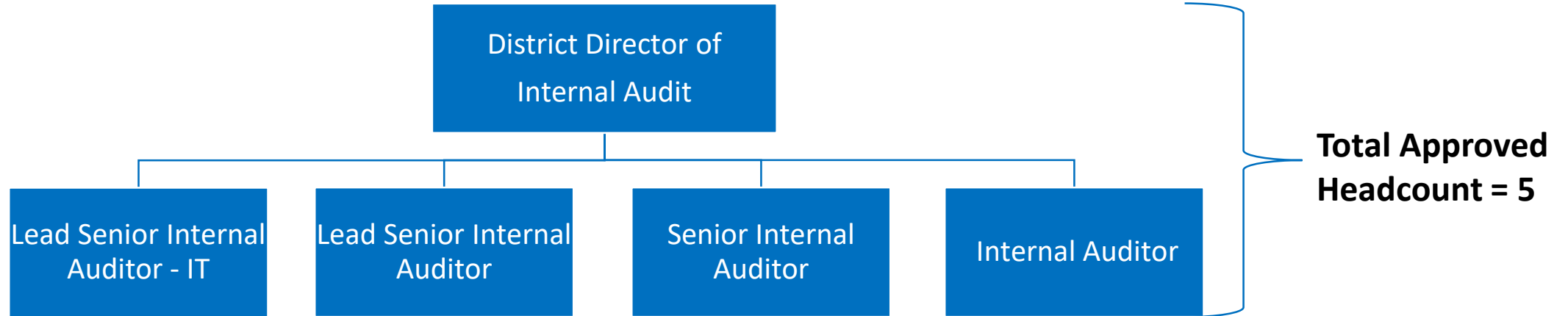


V. Internal Audit Plan for Fiscal Year 2022

- The Board of Trustees approved the Fiscal Year 2022 Internal Audit Plan during their August 17, 2021 meeting.
- Staffing includes an Audit Director and four auditors.
- Allocated chargeable audit time for fiscal year 2022 is 4,700.
- Of this time, 3,900 hours will be dedicated to performing audits.
- 400 hours is needed to complete engagements from fiscal year 2021.
- The remaining hours have been allocated to board and management requests, investigations, follow-up on prior audit recommendations, and special projects.



Internal Audit Resources



	Fiscal Year
Total Hours	10,400
Less Audit Director's Time & Vacant Senior Lead IT Auditor (6 months)	<u>(3,120)</u>
Net Internal Audit Staff Time	7,280
Holidays/Personal/Vacation/Sick	(1,450)
Training	(400)
Staff General Admin (average of 10%)	(730)
Total Time Available for Audits, Investigations, & Consulting Engagements	4,700



Approved 2022 Internal Audit Plan (9/1/21 – 8/31/22)

	Project Type	Potential Audit Focus Description	Total Hours
1	Continuing Education Audit	Review of Continuing Education controls and processes, including registration, contracting practices, and tuition/fee calculations.	800
2	Colleges – Nursing Program Review Audit	Determine if the nursing program is compliant with Alamo Colleges' policies and procedures, and laws and regulations.	500
3	IT – Jaggaer System Audit	Assess the effectiveness of the design of controls, configuration, security, and interface between Jaggaer (i.e., ALAMOMart) and the Banner System.	500
4	Fiscal Services – Budgeting Audit	Evaluate the planning process for completing District and Colleges annual budgets and evaluate the controls over spending authority and budget controls.	700
5	District-Wide Advising Audit	Evaluate the Alamo Colleges academic and career advising practices to ensure they are providing consistent levels of support for students.	900
6	IT – Remote Device Management Audit	Evaluate controls surrounding device management in a remote work environment to ensure they are scanned for vulnerabilities, patched, and secure.	500



Approved 2022 Internal Audit Plan (9/1/21 – 8/31/22)

	Project Type	Potential Audit Focus Description	Total Hours
7	Investigations / Special Requests	Perform and assist on EthicsPoint and other investigations and special requests.	200
8	Internal Quality Assessment Review	Perform the annual self-assessment required by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.	120
9	Follow-up Reviews	Follow-up on completion of audit observations action plans.	80
10	Carryforward	<p>For completion of audits still outstanding from the FY 2021 Audit Plan</p> <ul style="list-style-type: none"> - Higher Education Emergency Relief Fund (HEERF) Audit - Assess the control structure over the process to ensure that Alamo Colleges is in compliance with program regulations that apply to the specific funding streams. - Title IX Compliance Audit - To assess the effectiveness of the controls and processes to ensure implementation of 2020 amendments to the Title IX regulations. 	400
	Total		4,700



Approved Alternate and Future Projects

Project Type	Potential Audit Focus Description
Colleges – IT and Technical Services	Determine the effectiveness of IT General Controls at the Colleges. The potential areas include Access Management, Security Management, Network Management, Disaster Recovery, Change Management, and Problem Management.
HR – Banner Employee Position Control Audit	Evaluate the position control process and ensure controls are in place and operating as management intends.
Alamo Promise Audit	Audit of student eligibility, management of funds, and compliance with provisions of the Alamo Promise program.
Ethics and Compliance Program Audit	Evaluate the design, implementation, and effectiveness of Alamo Colleges’ ethics-related objectives, programs, and activities. (Mandatory Audit in FY 2023)
IT - Information Security, Access, & Compliance	Determine whether Alamo Colleges has implemented information system security standards and related controls in compliance with the Texas Administration Code (TAC) 202 requirements from the Texas Department of Information Resources.



VI. External Audit Services Procured in Fiscal Year 2021

External audit services procured by Internal Audit:

- Non-IT Audit Support – Internal Audit did not procure any outside services in FY 2021
- IT Audit Support – Internal Audit did not procure any outside services in FY 2021.
- Internal Audit may engage co-source audit services from a third party firm with specialized expertise to support Internal Audit's work related to the Remote Device Management or other approved audits. Internal Audit will make a determination whether to procure these services once audits are underway. These audits are included on the FY 2022 Internal Audit Plan.

External audit services procured by Finance & Administration:

- Financial Statement Audit – Weaver and Tidwell, LLP.
- Single Audit - Weaver and Tidwell, LLP.
- ACCD Public Facility Corporation – Weaver and Tidwell, LLP



VII. Reporting Suspected Fraud and Abuse

In accordance with section 7.09 of the Texas General Appropriations Act, a link in the footer of the home page for the Alamo Colleges external website referencing “Fraud Hotline” takes users to the Ethics site which includes instructions on how to report fraud, waste and abuse to the State Auditor’s Office as follows:

Any person who suspects fraud or financial impropriety at Alamo Colleges should report their suspicions immediately to any supervisor, the Chancellor or designee, the Board Chairperson, the Alamo Colleges Ethics Hotline, local law enforcement, Internal Audit or the State Auditor’s Office Hotline.

If you suspect fraud, waste, or abuse, and would like to file an anonymous complaint, please report the matter to one of the following:

Alamo Colleges Ethics Hotline

1-888-976-2466

<https://www.alamo.edu/about-us/compliance/fraud-hotline/>

or

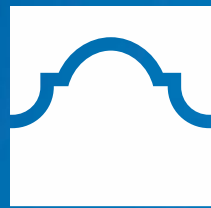
State Auditor’s Office Hotline

1-800-TX-AUDIT (1-800-892-8348)

<http://sao.fraud.state.tx.us>



Thank you.



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